

RODRIGO A CHAVES
Country Director, Indonesia and Timor-Leste

Letter No. CD-205/WB/XI/2017

November 23, 2017

Mr. Robert Pakpahan
Director General of Budget Financing and Risk Management
Ministry of Finance
Gedung Frans Seda
Jl. DR. Wahidin Raya No. 1
Jakarta 10710
Indonesia

Dear Mr. Pakpahan:

***Re: Republic of Indonesia: Western Indonesia National Roads Improvement Project
Loan No. 8043-ID
Amendment No. 4***

We refer to the Loan Agreement (“Loan Agreement”), dated December 14, 2011, as amended through September 27, 2016, between the Republic of Indonesia (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the Western Indonesia National Roads Improvement Project (the “Project”). We also refer to your letter dated November 6, 2017 requesting the Bank to: (i) reallocate Loan proceeds; (ii) extend the Closing Date; (iii) amend the Loan Agreement to reflect a change in the Project description, institutional arrangements and the list of Work Program Sub-projects.

We are pleased to inform you that, after due consideration, the Bank accedes to your request. Accordingly, the Bank: (i) hereby reallocates the Loan proceeds in the withdrawal table in Section IV.A.2 of Schedule 2 to the Loan Agreement as shown in the revised table in Attachment 1 to this amendment letter; (ii) has established December 31, 2018 as the later date for purposes of Section IV.B.2 to the Loan Agreement; and (iii) proposes to amend the Loan Agreement as set out below in this amendment letter (the “Amendment”).

1. Part 1 of the Project Description in Schedule 1 of the Loan Agreement is amended and restated as follows:

“Part 1: Betterment and Capacity Expansion of National Roads. Betterment (including base course strengthening, minor widening, providing a new asphalt wearing course and improving drainage); and capacity expansion of approximately 578 kilometers of National Roads, including replacement of approximately 160 meters of bridges.”


2. Section I.A.3 of Schedule 2 to the Loan Agreement is amended to read as follows:
3. “Regional Project Implementation Units (*Balai*). Except as the Borrower and the Bank shall otherwise agree in writing, the Borrower, through DGH, shall ensure that Balai II shall be the Regional Project Implementation Unit for Sub-Projects in North Sumatera Province, Balai III shall be the Regional Project Implementation Unit for Sub-Projects in West Sumatera Province and Bengkulu Province and Balai V shall be the Regional Project Implementation Unit for Sub-projects in Lampung Province, in each case until completion of the Project.”
4. Annex 1 to Schedule 2 (Work Program Sub-Projects) is amended as stated in Attachment 2 of this Amendment.
5. Appendix (“Definitions”): Paragraph 5 on the original “Balai I” is amended to read as follows:
 - “5. “Balai II” means the Balai related to the Project that includes North Sumatera Province, a Project Province, and which is part of the Project implementation arrangements as set out in paragraph 3 of Section I.A of Schedule 2 to this Agreement.”
6. Appendix (“Definitions”): Paragraph 6 on the original “Balai II” is amended to read as follows:
 - “6. “Balai III” means the Balai related to the Project that includes West Sumatra Province and Bengkulu Province, which are Project Provinces and which is part of the Project implementation arrangements as set out in paragraph 3 of Section I.A of Schedule 2 to this Agreement.”
7. Appendix (“Definitions”): Paragraph 7 on the original “Balai III” is amended to read as follows:
 - “7. “Balai V” means the Balai related to the Project that includes Lampung Province, a Project Province, and which is part of the Project implementation arrangements as set out in paragraph 3 of Section I.A of Schedule 2 to this Agreement.”
8. Appendix (“Definitions”): The term “Project Implementation Unit” is amended to read as follows:
 - “33. “Regional Project Implementation Unit” means each of Balai II, Balai III, and Balai V, in its function as the implementation unit for the Project in its respective Provinces.”

Unless the context otherwise requires and except where otherwise defined in this Amendment, all capitalized terms contained herein shall have the meanings given to them in the Loan Agreement.

Except as specifically set out in this Amendment, all terms and conditions in the Loan Agreement remain unchanged.

Please confirm your agreement to the foregoing on behalf of the Borrower by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully countersigned original of this Amendment to us. Upon receipt by the Bank of this Amendment duly countersigned by an authorized representative of the Borrower, the above amendments to the Loan Agreement shall become effective.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



Rodrigo A. Chaves
Country Director, Indonesia and Timor Leste

CONFIRMED:

REPUBLIC OF INDONESIA

By: _____

Name: LUKY ALFIRMAN

Title: DIRECTOR GENERAL OF BUDGET FINANCIAL & RISK MANAGEMENT

Date: DECEMBER 12, 2017

Attachment 1**Revised Withdrawal Schedule
(Section IV.A.2 of Schedule 2)**

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Civil Works under Part 1 of the Project	225,400,000	70%
(2) Goods, Non-consulting Services, Consultants Services and Incremental Operating Costs* under Part 2 of the Project	17,000,000	100%
(3) Goods, Non-consulting services and Consultants' Services under Part 3 of the Project	0	100%
(4) Works, Goods, Non-Consulting Services, Consultants' Services and Incremental Operating Costs* under Part 4 of the Project	0	100%
(5) Unallocated	7,600,000	
Total amount	250,000,000	

Attachment 2

REVISED ANNEX 1 TO SCHEDULE 2

Work Program Sub-Projects

No.	Sub-project	Province
List of WP-1 Proposed Sub-Projects		
1	Krui – Biha	Lampung
2	Padang Sawah – Sp. Empat including the Air Gadang Bridge	West Sumatra
3	Manggopoh – Padang Sawah	West Sumatra
4	Ipuh – Bantal	Bengkulu
List of WP-2 Proposed Sub-Projects		
5	Simpang Rampa – Poriaha	North Sumatra
6	Ps. Pedati – Kerkap	Bengkulu
7	Indrapura – Tapan	West Sumatra
8	Bts. Kota Pariaman – Manggopoh	West Sumatra
9	[DELETED AND INTENTIONALLY LEFT BLANK]	
10	[DELETED AND INTENTIONALLY LEFT BLANK]	
11	Bantal – Mukomuko	Bengkulu
12	Kambang – Indrapura	West Sumatra
13	Sp Rukis – Tj Kemuning	Bengkulu
List of WP-3 Proposed Sub-Projects		
14	Painan – Kambang	West Sumatra
15	Sibolga – Batas TapSel	North Sumatra
16	Seblat - Ipuh including Air Lalang & Air Guntung bridge	Bengkulu
17	Sp. Gng Kemala – Pugung Tampak	Lampung
18	[DELETED AND INTENTIONALLY LEFT BLANK]	
19	Lais – Bintuan	Bengkulu
20	Lubuk Alung – Sicincin	West Sumatra
21	Lubuk Alung – Kuraitaji	West Sumatra